

General Consent Calendar

August 12, 2016

Backup furnished electronically at:

<http://www.schools.utah.gov/board/Meetings/Agenda/Calendar.aspx>

Items for Approval

A. Minutes of Previous Meetings Tab A

Minutes of the May 12-13, 2016, June 9-10, 2016, and June 23, 2016 USBE meetings and the June 3, 2016 and June 7, 2016 meetings of the Superintendent Selection Committee are presented for approval.

B. Contracts/Agreements Tab B

1. It is proposed that the Board consider approval of contracts and agreements over \$100,000 [see attachment].
2. A report of contracts and agreements under \$100,000 is provided for Board information.

C. Grants Tab C

It is proposed that the Board consider approval of new grants [see attachment].

D. R277-421 Out-of-State Tuition Tab D

In its June 9, 2016 meeting the Board approved R277-421, as amended, on second reading and instructed staff to reach out to the most impacted districts and report back to the Finance Committee in August if changes are needed. Staff contacted those districts and the only concerns expressed were related to the due date of claims in Section 3. The date in the rule approved by the Board was June 30, which addresses concerns from the district. No substantive changes have been made since that time.

It is proposed the Board approve R277-421 *Out-of-State Tuition*, as amended, on third and final reading.

E. R277-403 Student Reading Proficiency and Notice to Parents Tab E

In its June 10, 2016 meeting the Board approved R277-403, as amended, on second reading. The rule was amended to make it consistent with H.B. 40

Agency Reporting Requirements (2016 Legislative Session) and include specific names of assessments designated by the Board, as required in statute. No substantive changes have been made since that time.

It is proposed the Board approve R277-403 *Student Reading Proficiency and Notice to Parents*, as amended, on third and final reading.

F. R277-924 *Partnerships for Student Success Grant Program*

Tab F

In its June 10, 2016 meeting the Board approved R277-924 on second reading. The new rule was developed to comply with S.B. 67 *Partnerships for Student Success* passed in the 2016 Legislative Session. No substantive changes have been made since that time.

It is proposed the Board approve R277-924 *Partnerships for Student Success Grant Program* on third and final reading.

G. R277-711 *High Quality School Readiness Expansion*

Tab G

In its June 10, 2016 meeting the Board approved R277-711 on second reading. The new rule was developed to comply with S.B. 101 *High Quality School Readiness Program Expansion* passed in the 2016 Legislative Session. No substantive changes have been made since that time.

It is proposed the Board approve R277-711 *High Quality School Readiness Expansion* on third and final reading.

H. R277-419 *Pupil Accounting*

Tab H

In its June 10, 2016 meeting the Board approved R277-419, as amended, on second reading. The rule was amended to clarify the maximum membership allowances for each student. No substantive changes have been made since that time.

It is proposed the Board approve R277-419 *Pupil Accounting*, as amended, on third and final reading.

I. R277-712 *Competency-based Grant Programs*

Tab I

In its June 10, 2016 meeting the Board approved R277-712 on second reading. The new rule was written to comply with S.B. 143 *Competency-based Learning Amendments* passed in the 2016 Legislative Session. No substantive changes have been made since that time.

It is proposed the Board approve R277-712 *Competency-based Grant Programs* on third and final reading.

J. R277-606 Dropout Recovery Program Tab J

In its June 10, 2016 meeting the Board approved R277-606, as amended, on second reading. The rule was amended to comply with H.B. 443 *Dropout Prevention and Recovery Program* passed in the 2016 Legislative Session. No substantive changes have been made since that time.

It is proposed the Board approve R277-606 *Dropout Recovery Program*, as amended, on third and final reading.

K. R277-530 Utah Effective Teaching and Educational Leadership Standards Tab K

In its June 10, 2016 meeting the Board approved R277-530, as amended, and continuation of the rule, on second reading. The rule was amended to include the Educational School Counselor Performance Standards and amend the definition of Educator Standards. No substantive changes have been made since that time.

It is proposed the Board approve R277-530 *Utah Effective Teaching and Educational Leadership Standards*, as amended, and continuation of the rule, on third and final reading.

L. Reallocation of Digital Teaching and Learning Funds Tab L

In 2015 the Digital Teaching and Learning Program Proposal legislation (S.B. 222) allocated one-time funds to USBE to establish a task force to complete an inventory and master plan for Digital Teaching and Learning that led to the launch of the Digital Teaching and Learning Grant Program in 2016 (H.B. 277). There are one-time funds remaining from the task force appropriation.

It is proposed that the Board approve reallocation of the remaining task force funds to support a UETN pilot contract with Lea(R)n. The support would allow for all LEAs to opt in to the use of the platform at a reduced cost to support monitoring of LEA-specific goal achievement, data analysis of new product usage and fidelity, and fiscal responsibility associated with this grant.

M. Approval of Interpreter Training Program Applications Tab M

The Board-approved Policy and Procedure Manual for the Utah Interpreter Program and 53A-26a-503 require that individuals in an internship, residency,

apprenticeship or on-the-job interpreter training program must be in a training program approved by the Board.

It is proposed that the Board approve the program approval applications for Jennifer Storrer, Connie Spanton-Jex, and Susan Brown as submitted.

N. 2017 NASBE Dues

Tab N

It is proposed the Board approve paying dues of \$23,556 to the National Association of State Boards of Education for 2017 broken out as follows: \$23,406—membership dues; \$20—publications; \$130—NCOSEA dues.

Reports and Information

The following items are provided to the Board for information.

O. Report on the Taxing Entity Committee (TEC) to the Redevelopment Agency of Brigham City

The Redevelopment Agency of Brigham City held a TEC meeting on June 13, 2016 for the purpose of a TEC vote on the creation of the Reeder Ranch Economic Development Project Area for twenty years, to set the increment terms, and cap the increment collection amount. The terms of the resolution were reviewed and were consistent with the RDA's proposal to the Board. The Board's TEC representative voted with the local school board in favor of the resolution, as directed by the Board. The vote was unanimous in favor of creation of the project area.

P. Report on the Taxing Entity Committee (TEC) to the Redevelopment Agency of Cedar City

The Redevelopment Agency of Cedar City held a TEC meeting on June 20, 2016 for the purpose of a TEC vote on the extension and amendment of the Port 15 project area extending the life by ten years, modifying the base year valuation to match what had been done for the last seven years, and modifying the cap on the increment collection amount. The terms of the resolution were reviewed and were consistent with the RDA's proposal to the Board. The Board's TEC representative voted with the local school board in favor of the resolution, as directed by the Board. The vote was unanimous in favor of the changes.

Q. Report on the Taxing Entity Committee (TEC) to the Redevelopment Agency of Murray City

The Redevelopment Agency of Murray City held a TEC meeting July 5, 2016 for the purpose of a TEC vote on amendments to two redevelopment agencies

within the city. The terms of the proposal were reviewed and were consistent with the RDA's proposal to the Board. The first change was to add an amount to be paid to the Murray School District from the Smelter Site neighborhood RDA due to the large amount of non-taxable development within the project area. The second change was to add approximately 10.18 acres to the Central Business District RDA. The Board's TEC representative voted with the local school board in favor of both resolutions, as directed by the Board. The vote was unanimous in favor of both amendments.

R. URADD Student Level Data Request Report

Tab R

The Utah Registry of Autism and Developmental Disabilities (URADD) made a request in July 2015 to use student level data in a research project. The proposed project aims to report the prevalence of anxiety in adults with autism spectrum disorder. In addition, the research will explore the relationship between co-occurring anxiety and employment status. The study will use data collected by URADD through educational records. The proposal has had IRB review, legal review, policy review, and has been reviewed by the Special Education section. The data release has been approved by the State Superintendent.

S. Notice of Out-of-State Tuition Payment (FINANCE COMMITTEE ITEM)

Out-of-state tuition invoices were submitted by three districts: Kane, South Summit and Box Elder. Payments to Box Elder and South Summit totaling \$149,329 were processed in July 2016 with the final allotment memo for FY2016. The payment was made from 1-12 WPU carryover. Each LEA reviewed the calculation prior to payment.

Under the calculation methodology established in the rule and approved by the Board in its June meeting, Kane District's final reimbursement was zero because all students claimed are generating ADM in a Necessarily Existent Small School (NESS) high school, and the funds received by Kane in the MSP programs exceed the costs of tuition payments made for them.

T. Loan Management Transition and Fee Implementation Notification (FINANCE COMMITTEE ITEM)

Beginning September 2016 the Board will begin the process of transferring the servicing of the charter school revolving loans and the school building loan program to the Division of State Finance under the Department of Administrative Services. State Finance charges a \$125 servicing fee per loan per year. The ability to charge a fee was provided for in all existing promissory notes. This fee will be charged to each loan recipient with their January payment, including loans in deferral. USBE staff will continue to process

monthly loan payments utilizing the ACH authorization that was signed on the inception of the loan. Staff will begin transitioning loans and payment schedules to State Finance staff in September when the loan management system upgrades are complete.

As the volume of loans grows, the ability of USBE staff to manage multiple amortization schedules in Excel spreadsheets creates a great amount of risk. The loan management system that State Finance manages will provide for monthly statements, accurate amortization schedules, more timely cash flow projections, and reduce the risk of errors.

Only one loan is outstanding in the School Building Loan Fund and will be paid in September. New district recipients will receive the same notification upon inception of new loans.

U. New Charter School Enrollment Concerns (FINANCE COMMITTEE ITEM)

Two new charter schools are tracking with enrollment less than 50 percent of their projections. One school, St. George Academy, grades 9-12, appeared before the State Charter School Board (SCSB) on July 14, 2016. The school was only able to substantiate 30 enrolled students; they were hoping to get 70 of the 350 projected. The school's breakeven budget is based on 180 students. The SCSB deferred the opening of the school to FY 2018.

The American Academy of Innovation, grades 6-12, reported on July 15, 2016 completed registration packets of 173 in a meeting with the Interim Executive Director of the SCSB and USBE School Finance staff. The number of projected students is 360. Initial reports indicate the breakeven budget was based on 280 students, but the school indicated that number might be lower.

The school's governing board replaced the school's director in July and the school is set to open on August 29, 2016. The building, located in South Jordan near Daybreak, is nearing completion. SCSB and USBE staff have asked for weekly updates from AAI. An update received on July 21, 2016 reported 184 completed registration packets and a breakeven budget of 220 students. No analysis of the feasibility of the breakeven budget has been conducted.

A notice was sent to the school and USBE staff on June 20 by the former SCSB Executive Director that the projections for AAI would be adjusted down to 230 students. There are no provisions in USBE rule or statute for an adjustment of projections to occur. School Finance staff do not believe they have the authority to adjust projections, once set by the CDC Committee, until actual PY ADM and current year headcount adjustments are made in October. As such, AAI will receive its first MSP allotment payment at the end of July based on the entire 360 projected amount. The budget and mid-year update process were

discussed with AAI's governing board chair, its director, and business manager at a July 15, 2016 meeting to ensure AAI understands the risk that the school may be required to repay any overpaid MSP funds in November. They were also informed that federal and other state fund allocations will be adjusted at midyear to enable the LEA to plan its operations and budgets around a more accurate projection of its overall revenue and not around the 360 projected students.

V. Charter Termination of Three Schools (FINANCE COMMITTEE ITEM)

1. Wasatch Institute of Technology (WIT) - A check was received from WIT on July 14, 2016 totaling \$67,950.40. Of the total received, \$21,890 was applied to the Title I 2015 federal program for repayment to the U.S. Department of Education. The remaining \$64,060.10 was applied to the charter revolving loan balance for WIT. WIT's AFR and APR reports were corrected in June 2016 by School Finance staff. WIT's local education agency ID was terminated on June 30, 2016. All financial records of the school are currently in the possession of USBE School Finance staff.
2. Alianza - the school was closed by the State Charter School Board at the beginning of the 2015-2016 school year. School Finance staff are awaiting the final audit report being conducted by an independent audit firm prior to evaluating all closing issues.
3. APA-Salem - the school is part of the Voluntary School Improvement Program. In its June 2016 meeting the State Board of Education approved the takeover of APA-Salem by an existing LEA—American Preparatory Academies. As of July 1, 2016 all MSP allocations have been recalculated including APA-Salem as a satellite campus of APA. Federal formula allocations for FY 2017 will be recalculated and reported to APA by the end of August. All federal awards to APA-Salem were terminated on July 1. APA financial staff were notified and provided sufficient time to submit all final claims for expenditures against APA-Salem awards. These claims were liquidated in the final June 2016 allotment for FY 2016.